

REDEVELOPMENT AGENCY AGENDA STAFF REPORT



DATE: January 23, 2012

TO: Honorable Chair and Agency Members

THRU: Jill R. Ingram, Executive Director

FROM: Mark H. Persico, AICP, Director of Development Services

SUBJECT: **ADOPTION OF RESOLUTION NO. 12-01 AMENDING
THE ENFORCEABLE OBLIGATION SCHEDULE**

SUMMARY OF REQUEST:

Staff recommends that the Agency adopt Resolution No. 12-01 amending the enforceable obligation schedule.

BACKGROUND:

This agenda item is to address an outcome of the California Supreme Court's decision in *California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861), the litigation challenging AB X1 26 ("AB 26") and AB X1 27 ("AB 27"). AB 26 and AB 27, which were signed by the Governor of California on June, 29, 2011, added Parts 1.8 and 1.85 to the Community Redevelopment Law.

The Supreme Court largely upheld AB 26, invalidated AB 27, and held that AB 26 may be severed from AB 27 and enforced independently. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 (the dissolution provisions) arising before May 1, 2012 to take effect four months later. As a result of the Supreme Court's decision, on February 1, 2012, all redevelopment agencies are dissolved and successor agencies are designated as successor entities to the former redevelopment agencies.

Pursuant to Health and Safety Code Section 34169(a), until successor agencies are authorized, redevelopment agencies must continue to make all scheduled payments for enforceable obligations as defined in Health and Safety Code Section 34167(a). Pursuant to Health and Safety Code Section 34167(h), redevelopment agencies shall not make a payment unless it is listed in an adopted enforceable obligation payment schedule ("EOPS"), other than payments required to meet obligations with respect to bonded indebtedness.

The Redevelopment Agency previously adopted an EOPS. In accordance with Health and Safety Code Section 34169(g), the original EOPS only lists payments obligated to be made, by month, through December 2011. Since the Agency will not be dissolved until February 1, 2012, staff recommends that the Agency adopt the attached Resolution to amend the EOPS to include payments coming due after December 2011. Subsequently, the City, as successor agency, will consider adoption of the Agency's EOPS as the successor agency's EOPS (with any appropriate modifications), and the successor agency will pay enforceable obligations pursuant to the EOPS until such time as a recognized obligation schedule becomes operative.

FISCAL IMPACT:

Amendment of the EOPS will authorize the Agency to pay its enforceable obligations after December 31, 2011.

ENVIRONMENTAL IMPACT:

There will be no new environmental impact associated with adoption of the attached resolution.

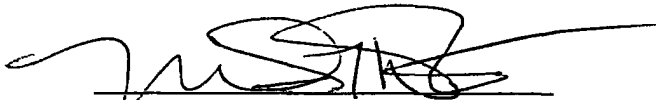
LEGAL ANALYSIS:

Agency Counsel has reviewed and approved as to form.

RECOMMENDATION:

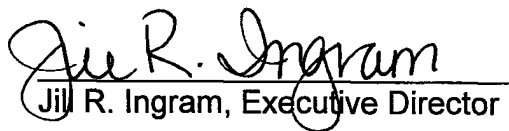
Staff recommends that the Agency adopt Resolution No. 12-01, amending the EOPS.

SUBMITTED BY:



Mark H. Persico, AICP
Director of Development Services

NOTED AND APPROVED:



Jill R. Ingram, Executive Director

Attachments:

- A. Resolution No. 12-01

RESOLUTION NUMBER 12-01

A RESOLUTION OF THE SEAL BEACH REDEVELOPMENT AGENCY APPROVING AMENDMENTS TO THE ENFORCEABLE OBLIGATION PAYMENT SCHEDULE AND CERTAIN RELATED ACTIONS

RECITALS:

A. The Seal Beach Redevelopment Agency ("Agency") is a redevelopment agency in the City of Seal Beach ("City"), created pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the "Redevelopment Law").

B. The City Council of the City (the "City Council") adopted Ordinance No. 708, approving and adopting the redevelopment plan for the Riverfront Project Area, and from time to time, the City Council has amended such redevelopment plan.

C. AB X1 26 and ABX1 27 were signed by the Governor of California on June 29, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) to Division 24 of the California Health and Safety Code.

D. The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.* (Case No. S194861)) alleging that AB X1 26 and AB X1 27 are unconstitutional. On August 11, 2011, the Supreme Court issued a stay order, which was subsequently modified on August 17, 2011. Pursuant to the modified stay order, the Supreme Court granted a partial stay of AB X1 26 and AB X1 27.

E. On December 29, 2011, the Supreme Court issued its opinion in the *Matosantos* case largely upholding AB X1 26, invalidating AB X1 27, and holding that AB X1 26 may be severed from AB X1 27 and enforced independently.

F. The Supreme Court generally revised the effective dates and deadlines for performance of obligations in Part 1.85 arising before May 1, 2012 to take effect four months later. The Supreme Court did not revise the effective dates or deadline for performance of obligations in Part 1.8.

G. As a result of the Supreme Court's decision, on February 1, 2012, all redevelopment agencies are dissolved and successor agencies are designated as successor entities to the former redevelopment agencies. Pursuant to Health and Safety Code Section 34169, until successor agencies are authorized, redevelopment agencies must continue to make all scheduled payments for enforceable obligations as defined in Health and Safety Code Section 34167(a). Pursuant to Health and Safety Code Section 34167, redevelopment agencies shall not make a payment unless it is listed in an adopted enforceable obligation payment schedule, other than payments required to meet obligations with respect to bonded indebtedness.

H. The Agency adopted Resolution No. 11-12 on September 12, 2011, adopting an Enforceable Obligation Payment Schedule. On September 26, 2011, the Agency adopted Resolution No. 11-14 amending the Enforceable Obligation Payment Schedule. The Enforceable Obligation Schedule, as previously amended, is attached hereto as Exhibit A and incorporated herein by reference (the "Original EOPS"). In accordance with Health and Safety Code Section 34169, the Original EOPS only lists payments obligated to be made, by

month, through December 2011. Accordingly, the Agency desires to adopt this Resolution to amend the Original EOPS to include payments obligated to be made after December 31, 2011.

I. The amendments to the Original EOPS are set forth on Exhibit B attached to this Resolution and incorporated herein by reference (the "Exhibits").

NOW, THEREFORE, THE SEAL BEACH REDEVELOPMENT AGENCY HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Agency hereby adopts the Amendments. The Original EOPS, as amended by the Amendments, shall constitute the EOPS of the Agency.

Section 3. The Agency Secretary is hereby authorized and directed to post the Enforceable Obligation Payment Schedule on the City's Internet Web site.

Section 4. Prior to dissolution, the Agency may amend the EOPS from time to time at any public meeting of the Agency. Any such further amendments shall be posted to the City Internet Web site.

Section 5. The Agency Secretary is hereby authorized and directed to transmit a copy of this Resolution, including the Exhibits, by mail or electronic means to the County Auditor-Controller, the State Controller, and the California Department of Finance. A notification providing the Internet Web site location of the posted copy of this Resolution will suffice.

Section 6. The officers and staff of the Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including providing documents associated with the Amendments to the California Department of Finance and the State Controller, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

Section 7. The Agency hereby affirms the designation of Mark H. Persico, Director of Development Services, as the Agency official to whom the California Department of Finance may make requests for review in connection with the Amendments.

Section 8. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Agency of any rights the Agency may have to challenge the legality of all or any portion of AB X1 26 through administrative or judicial proceedings.

Section 9. This Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 et seq., hereafter the "Guidelines"), and the Agency's environmental guidelines. The Agency has determined that this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment. (Guidelines Section 15378(b) (5)).

Resolution Number 12-01

PASSED, APPROVED and ADOPTED by the Seal Beach Redevelopment Agency at a regular meeting held on the 23rd day of January, 2012 by the following vote:

AYES: Agency Members _____

NOES: Agency Members _____

ABSENT: Agency Members _____

ABSTAIN: Agency Members _____

Chair

ATTEST:

Secretary/City Clerk

STATE OF CALIFORNIA }
COUNTY OF ORANGE } SS
CITY OF SEAL BEACH }

I, Linda Devine, Secretary/City Clerk of the City of Seal Beach, do hereby certify that the foregoing resolution is the original copy of Resolution Number 12-01 on file in the office of the City Clerk, passed, approved, and adopted by the Seal Beach City Council at a regular meeting held on the 23rd day of January, 2012.

Secretary/City Clerk

Name of Redevelopment Agency: Redevelopment Agency of the City of Seal Beach

Page 1 of 1

Project Area(s) Riverfront Project Area**AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE ADDING LINES 9 - 16**

Per AB 26 - Section 34167 and 34169 (*)

	Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month					
						Aug**	Sept	Oct	Nov	Dec	Total
1)	2000 Tax Allocation Bond A	Bank of New York	Bond Issue	5,185,000.00	663,315.00		541,372.50				\$ 541,372.50
2)	2000 Tax Allocation Bond B	Bank of New York	Bond issue	390,000.00	63,200.00			51,087.50			\$ 51,087.50
3)	Contract for legal services	Richards Watson Gershon	Legal counsel		125,000.00		10,400.00	10,400.00	10,400.00	10,400.00	\$ 41,600.00
4)	Contract for consulting services	Civic Stone	CDBG and mobilehome park construction		150,000.00		12,500.00	12,500.00	12,500.00	12,500.00	\$ 50,000.00
5)	Contract for consulting services	Rosenow Spevacek Group	Bond and mobilehome park monitoring		3,500.00		400.00	400.00	400.00	400.00	\$ 1,600.00
6)	Low Mod / Rental Assistance	Seal Beach Shores	Rental Assistance Agreement		180,000.00						\$ -
7)	Affordable Housing Fund (LMI)	LMI Fund	The Agency deposits 20% of tax increment		446,800.00						\$ -
8)	Statutory Pass - Through	Tax Entities	SB 211 requires agencies to pass-tax increment to taxing entities		149,787.00						\$ -
9)	Legal challenge to AB 26 & 27	California Redevelopment Agency Association	Dues/pro-rated legal costs		800.00			400.00	400.00		\$ 800.00
10)	Marina Park Grant Application	Carrier Johnson	Park design for Prop 84 grant application		86,000.00		7,500.00		2,300.00		\$ 9,800.00
11)	Seal Beach Shores Trailer Park	Veridian Construction	Improvements to individual mobilehome		35,000.00		7,200.00	7,900.00	7,800.00		\$ 22,900.00
12)	Seal Beach Shores Trailer Park	Gutter Masters	Improvements to individual mobilehome		435.00		435.00				\$ 435.00
13)	Seal Beach Shores Trailer Park	Pike Stair Company	Improvements to individual mobilehome		13,500.00			13,500.00			\$ 13,500.00
14)	Seal Beach Shores Trailer Park	Orange County Fence	Improvements to individual mobilehome		1,000.00			1,000.00			\$ 1,000.00
15)	Seal Beach Shores Trailer Park	Eric Wilkerson & Co.	Improvements to individual mobilehome		35,000.00			9,500.00	9,500.00	9,500.00	\$ 28,500.00
16)	Seal Beach Shores Trailer Park	National Tree & Landscape	Improvements to individual mobilehome		1,050.00				1,050.00		
17)											\$ -
18)											\$ -
19)											\$ -
Totals - This Page				\$ 5,575,000.00	\$ 1,954,387.00	\$ -	\$ 579,807.50	\$ 106,687.50	\$ 44,350.00	\$ 32,800.00	\$ 762,595.00
Grand total - All Pages				\$ 5,575,000.00	\$ 1,954,387.00	\$ -	\$ 579,807.50	\$ 106,687.50	\$ 44,350.00	\$ 32,800.00	\$ 762,595.00

Name of
Redevelopment
Agency: Redevelopment Agency of the City of Seal Beach

Project Area(s) Riverfront Project Area

Enforceable Obligation Payment Schedule
Per AB 26 - Section 34167 and 34169

	Project Name / Debt Obligation	Payee	Description	Source of Payment	Total Outstanding Debt or Obligation	Total Due During Fiscal Year								
							Jan 2012	Feb 2012	Mar 2012	April 2012	May 2012	June 2012	July 2012	Total
1)	2000 Tax Allocation Bond A	Bank of New York	Bond issue	Tax Increment	6,708,619.00	663,315.00			121,942.50					\$ 121,942.50
2)	2000 Tax Allocation Bond B	Bank of New York	Bond issue	Tax Increment	486,763.00	61,150.00				10,062.50				\$ 10,062.50
3)	Contract for legal services	Richards Watson Gershon	Legal counsel	Tax Increment		125,000.00	10,400.00	10,400.00	10,400.00	10,400.00	10,400.00	10,400.00	10,400.00	\$ 72,800.00
4)	Contract for consulting services	Civic Stone	CDBG and mobilehome park construction	Tax Increment		50,000.00	12,500.00	12,500.00	12,500.00	12,500.00	0.00	0.00	0.00	\$ 50,000.00
5)	Contract for consulting services	Rosenow Spevacek Group	Bond and mobilehome park monitoring	Tax Increment		3,500.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	\$ 2,800.00
6)	Low Mod / Rental Assistance	Seal Beach Shores	Rental Assistance Agreement	Tax Increment		180,000.00	180,000.00							\$ 180,000.00
7)	Affordable Housing Fund (LMI)	LMI Fund	The Agency deposits 20% of tax increment	Tax Increment		446,800.00								446,800.00
8)	Statutory Pass - Through	Tax Entities	SB 211 requires agencies to pass-tax increment to taxing	Tax Increment		149,787.00	149,787.00							\$ 149,787.00
9)	Legal challenge to AB 26 & 27	California Redevelopment Agency	Dues/pro-rated legal costs	Tax Increment		800.00	400.00			400.00				\$ 800.00
10)	Marina Park Grant Application	Carrier Johnson	Park design for Prop 84 grant application	Tax Increment		8,000.00	8,000.00							\$ 8,000.00
11)	Seal Beach Shores Trailer Park	Veridian Construction	Improvements to individual mobilehome	Tax Increment		20,000.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	\$ 19,600.00
12)	Seal Beach Shores Trailer Park	Eric Wilkerson & Co.	Improvements to individual mobilehome	Tax Increment		33,000.00	4,700.00	4,700.00	4,700.00	4,700.00	4,700.00	4,700.00	4,700.00	\$ 32,900.00
13)	Seal Beach Shores Trailer Park	Killer Termite	Improvements to individual mobilehome	Tax Increment		1,400.00	1,400.00							\$ 1,400.00
14)	Sewer Easement Payment	City of Seal Beach	Acquisition of sewer easement	Tax Increment	1,346,795.33	0.00							448,931.78	\$ 448,931.78
15)	Contract for consulting services	Donald Parker	Financial advisor services	Tax Increment		2,500.00	1,250.00	1,250.00						\$ 2,500.00
16)	Contract for consulting services	Urban Futures	Financial advisor services	Tax Increment		1,000.00	1,000.00							\$ 1,000.00
17)	Zoeter Field	City National Bank	Capital Improvement lease payment	Tax Increment	59,154.00	29,400.00	11,800.00			5,900.00			5,900.00	\$ 23,600.00
18)	First Street Parkland	Bay City Partners, LLC	Acquisition of public parkland	Tax Increment	1,100,000.00	0.00								\$ 1,100,000.00
Grand Total					\$ 9,701,331.33	\$ 1,775,652.00	\$ 384,437.00	\$32,050.00	\$152,742.50	\$ 46,762.50	\$18,700.00	\$ 18,300.00	\$473,131.78	\$ 2,672,923.78